

EXHIBIT 1

Utah regulators withdraw rehabilitation petition against A-Cap insurers



Utah is ending its bid to place A-Cap insurers into rehabilitation.

By [John Hilton](#)

Utah regulators dropped a petition to force Sentinel Security Life Insurance Co. and a pair of reinsurers into court-ordered rehabilitation.

In late April, the Utah Insurance Department agreed to pause its litigation and participate in mediation with Advantage Capital, known as A-Cap. Sentinel Security, Haymarket Insurance Co., and Jazz Reinsurance Co. are all owned by A-Cap.

On Friday, May 23, Judge Amber M. Mettler signed an order to dismiss the case, according to Utah court records for the Third Judicial District. A spokesman for the Utah Insurance Department declined comment, as did A-Cap representatives.

The department's March 21 petition asked the court to allow regulators to “take possession, control, and title to all assets of Sentinel, Haymarket, and Jazz Re, and to administer those assets pursuant to the laws of the State of Utah, as directed by the Court, staying all actions and proceedings relating to the Utah Insurers, in Utah and elsewhere.”

Mettler had scheduled several trial dates in mid-August. Instead, the lengthy dispute over the strength of the assets backing Sentinel Security appears to be over.

'No update'

South Carolina regulators are in a similar place with Atlantic Coast Life Insurance Co., another A-Cap insurer domiciled there. South Carolina and Utah regulators shared information as they probed the financials of A-Cap insurers throughout 2024, court documents say.

In South Carolina, Michael Wise, director of the South Carolina Department of Insurance, issued an April 10, 2024 “confidential order” placing Atlantic Coast and Southern Atlantic Re into “confidential administrative supervision,” court documents say.

On Oct. 21, a directive informed the insurance companies that South Carolina was “unwilling to continue to permit the insurers to incur new liabilities ... when all companies['] RBC are at a mandatory control level and each of the insurers exhibits negative surplus.”

On Nov. 14, South Carolina regulators directed Atlantic Coast to cease writing new business on Jan. 1, 2025, court documents say. [Utah made its directive official on Dec. 2](#) and South Carolina followed on Dec. 11.

[The cases turned in favor of A-Cap on Feb. 13](#) when South Carolina Administrative Law Judge Ralph King Anderson III sided with the firm. Anderson rebuked regulators and rejected the S.C. insurance department’s conclusion that Atlantic Coast is in financial distress.

“The evidence shows that ACL maintains a positive cash flow and has not experienced any difficulty paying amounts owed to either its policyholders or creditors,” he wrote.

A spokeswoman for the South Carolina insurance department said there is “no update” on whether state regulators plan further action with Atlantic Coast.

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